



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY  
REGION 5  
77 WEST JACKSON BOULEVARD  
CHICAGO, IL 60604-3590

MAY 15 2008

REPLY TO THE ATTENTION OF:

AE-17J

**CERTIFIED MAIL**  
**RETURN RECEIPT REQUESTED**

Ira M. Patton, Registered Agent  
Three Star Drilling and Producing Corporation  
201 South Christy  
Sumner, Illinois 62466

Dear Mr. Patton:

Enclosed is U. S. Environmental Protection Agency Administrative Order EPA-05-08-113(a)-IL-02. This order requires that, within 15 days of the effective date of this Order, Three Star Drilling and Producing Corporation shall comply with the November 30, 2007 Section 114 Request.

On November 30, 2007, the Director of the Air and Radiation Division, EPA, Region 5, issued a Section 114 Request to Three Star Drilling and Producing Corporation. Three Star Drilling and Producing Corporation violated the Section 114 Request by failing to provide certain records and information regarding Three Star Drilling and Producing Corporation's oil production operations within 15 days after Three Star Drilling and Producing Corporation received the November 30, 2007 Section 114 Request.

Please direct any questions regarding this case to Mary McAuliffe, Associate Regional Counsel, (312) 886-6237.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Brent Marable".

Brent Marable, Chief  
Air Enforcement and Compliance Assurance Section (IL/IN)

Enclosure

5. Three Star Drilling and Producing Corporation owns and/or operates oil wells, injection wells, gathering facilities, water treatment plants, and associated pipelines, facilities, operations and equipment that emit air pollutants, including hydrogen sulfide. Three Star Drilling and Producing Corporation owns or operates an "emission source" within the meaning of Section 114(a)(1) of the Act, 42 U.S.C. § 7414(a)(1).

6. On November 30, 2007, the Director of the Air and Radiation Division, EPA, Region 5, issued a Section 114 Request to Three Star Drilling and Producing Corporation. Exhibit 1 of this Order is a copy of the Section 114 Request.
7. The Section 114 Request required Three Star Drilling and Producing Corporation to provide certain records and information regarding Three Star Drilling and Producing Corporation's oil production operations from January 2002 to the present within 15 days after Three Star Drilling and Producing Corporation received the November 30, 2007 Section 114 Request.
8. The Section 114 Request was returned to EPA on January 2, 2008 and EPA resent the Section 114 Request to Three Star Drilling and Producing Corporation.
9. Three Star Drilling and Producing Corporation received the Section 114 Request on January 25, 2008.
10. On April 3, 2008, EPA, Region 5, sent a letter and a copy of the November 30, 2007 Section 114 Request advising Three Star Drilling and Producing Corporation that it had failed to respond to the original November 30, 2007 Section 114 Request. Exhibit 2 of this Order is a copy of the April 3, 2008 letter.
11. Three Star Drilling and Producing Corporation violated the Section 114 Request by failing to provide certain records and information regarding Three Star Drilling and Producing Corporation's oil production operations from January 2002 to the present within 15 days after Three Star Drilling and Producing Corporation received the November 30, 2007 Section 114 Request by February 9, 2008.

#### **Compliance Program**

12. Three Star Drilling and Producing Corporation must comply with all requirements of the Section 114 Request. Specifically, Three Star Drilling and Producing Corporation must provide the following records and information regarding Three Star Drilling and Producing Corporation's oil production operations:
  - a. Provide a brief description of Three Star Drilling and Producing Corporation's oil production operations.
  - b. Provide all annual oil production and storage capacity information from January 2002 to the present.
  - c. Identify all oil well acquisitions from January 2002 to the present.
  - d. Provide all drawings and maps displaying Three Star Drilling and Producing Corporation's properties and the location of all wells, pipelines, tanks, pits, processing

plants and all other equipment and buildings owned or operated by Three Star Drilling and Producing Corporation.

e. In tabular form, provide a list of all wells owned or operated by Three Star Drilling and Producing Corporation in Lawrence County, Illinois, and provide the following information for each well:

- i. date of construction;
- ii. physical location including either Universal Transverse Mercator (UTM) grid or latitude and longitude coordinates, or other specific location information as identified in Three Star Drilling and Producing Corporation's records;
- iii. status (active, abandoned, etc.);
- iv. production rate; and
- v. a description of any associated air emission control devices.

f. In tabular form, provide a list of all tanks owned or operated by Three Star Drilling and Producing Corporation in Lawrence County, Illinois, and provide the following information for each tank:

- i. date of construction;
- ii. physical location including either UTM, latitude and longitude coordinates, or other specific location information as identified in Three Star Drilling and Producing Corporation's records;
- iii. purpose (receiver, stock, sales, etc.);
- iv. total capacity, expressed as barrels;
- v. daily throughput volume, expressed as both barrels of oil per day and barrels of brine per day; and
- vi. a description of any associated air emission control devices.

g. Provide a detailed description of Three Star Drilling and Producing Corporation's brine water handling procedures, including but not limited to, the volume of brine water extracted, how brine is stored, if brine is re-injected, and how brine is disposed. Also include a description of any associated air emission control devices.

h. Provide a detailed description of Three Star Drilling and Producing Corporation's purchase truck off-load procedures, including but not limited to, frequency of truck off-loading and volume of crude product that is off-loaded. Also include a description of any associated air emission control devices.

i. Provide all air permitting documents, air permit applications and correspondence relating to air permitting submitted to any state or federal agencies.

j. Provide all calculations of hydrogen sulfide emissions for all emission sources, including but not limited to, wells, tanks, and pits, from January 2002 to the present. Include any assumptions used in these calculations.

- k. Provide records of any citizen complaints received by Three Star Drilling and Producing Corporation from January 2002 to the present.
  - l. Identify any actions undertaken by Three Star Drilling and Producing Corporation to investigate, repair, or control sources of hydrogen sulfide or sour gas emissions.
13. Three Star Drilling and Producing Corporation must send all reports and information required by this Order to:

Attn: Compliance Tracker, AE-17J  
Air Enforcement and Compliance Assurance Branch  
U.S. EPA, Region 5  
77 West Jackson Boulevard  
Chicago, Illinois 60604

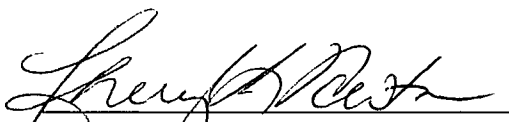
### **General Provisions**

14. This Order does not affect Three Star Drilling and Producing Corporation's responsibility to comply with other local, state, and federal laws and regulations.
15. This Order does not restrict EPA's authority to enforce Section 114 of the Act, or any other section of the Act.
16. Nothing in this Order limits EPA's authority to seek appropriate relief, including penalties under Section 113 of the Act, 42 U.S.C. § 7413, for Three Star Drilling and Producing Corporation's violations of the Section 114 Request.
17. Failure to comply with this Order may subject Three Star Drilling and Producing Corporation to penalties of up to \$32,500 per day for each violation under Section 113 of the Act, 42 U.S.C. § 7413, and 69 Fed. Reg. 7121 (Feb. 13, 2004)(amending 40 C.F.R. Part 19).
18. The terms of this Order are binding on Three Star Drilling and Producing Corporation, its assignees and successors. Three Star Drilling and Producing Corporation must give notice of this Order to any successors in interest, prior to transferring ownership, and must simultaneously verify to EPA, at the above address, that Three Star Drilling and Producing Corporation has given the notice.
19. This Order is not subject to the Paperwork Reduction Act, 44 U.S.C. § 3501 et seq., because it seeks collection of information by an agency from specific individuals or entities as part of an administrative action or investigation. To aid in our electronic record keeping efforts, please provide your response to this Order without staples. Paper clips, binder clips, and 3-ring binders are acceptable.
20. EPA may use any information submitted under this Order in an administrative, civil, or criminal action.

21. Section 113(a)(4) of the Act, 42 U.S.C. § 7413(a)(4), states that an Order shall not take effect until the person to whom it is issued has had an opportunity to confer with EPA about the alleged violation. Therefore, EPA is giving Three Star Drilling and Producing Corporation an opportunity to confer with EPA concerning this Order. Three Star Drilling and Producing Corporation may schedule a conference with EPA by calling Kathryn Siegel at (312) 313-1377 within ten days of Three Star Drilling and Producing Corporation's receipt of this Order.

22. This Order is effective on the fifteenth day after Three Star Drilling and Producing Corporation receives this Order.

5/15/08  
Date

  
Cheryl L. Newton, Acting Director  
Air and Radiation Division

Enclosures

CERTIFICATE OF MAILING

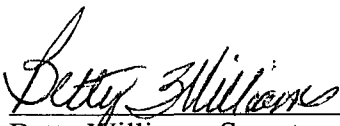
I, Betty K. Williams, certify that I sent the Administrative Order, EPA Order No. EPA-5-08-113(a)-IL-02, by Certified Mail, Return Receipt Requested, to:

Ira M. Patton, Registered Agent  
Three Star Drilling and Producing Corporation  
201 South Christy  
Sumner, Illinois 62466

I also certify that I sent a copy of the Administrative Order, EPA Order No. EPA-5-08-113(a)-IL-02, by First Class Mail, to:

Ray Pilapil, Manager  
Compliance and Enforcement Section  
Bureau of Air  
Illinois Environmental Protection Agency  
1021 North Grand Avenue East  
Springfield, Illinois 62794

on the 16<sup>th</sup> day of May 2008.

  
Betty Williams, Secretary  
AECAS(IL/IN)

Certified Mail Receipt Number: 7001 0320 0006 0186 1450